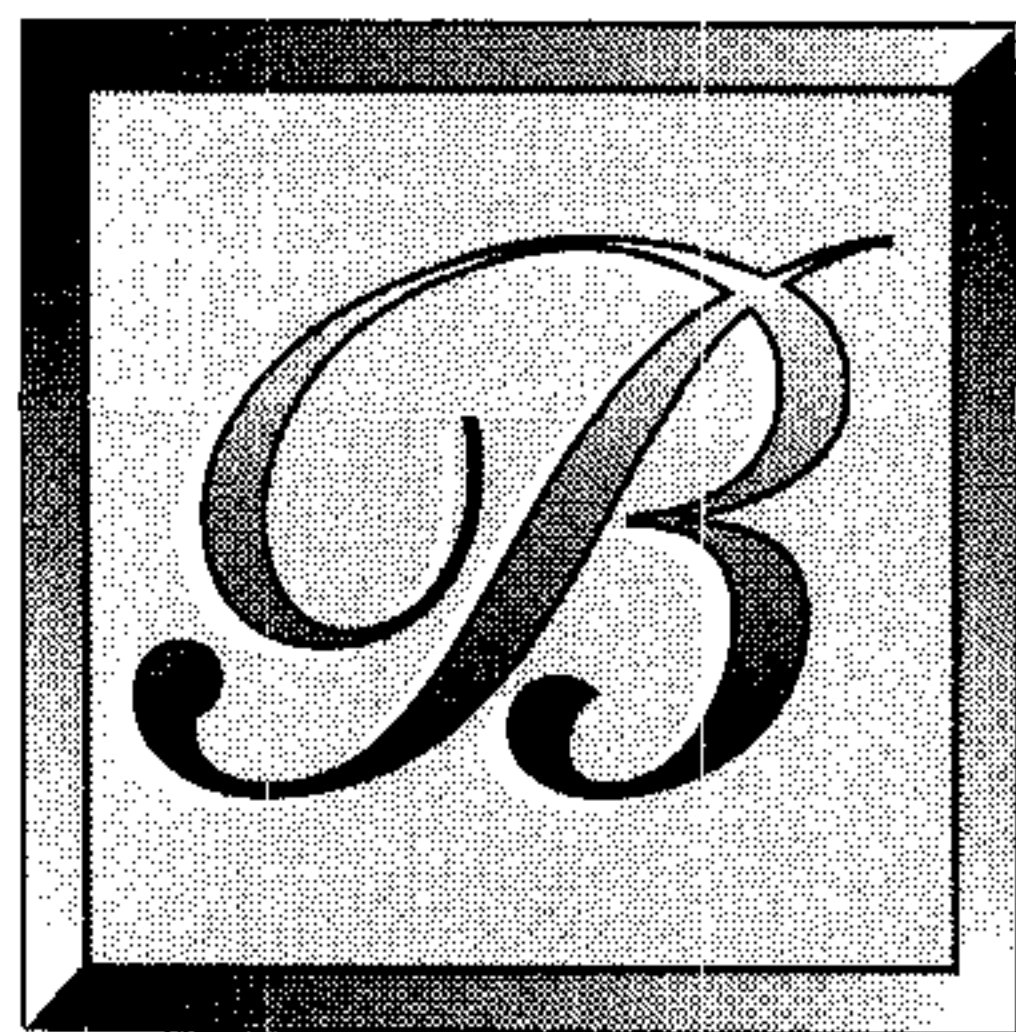


**WATERWORKS DISTRICT NO. 9
OF WARD 4 OF CALCASIEU
PARISH, LOUISIANA
Sulphur, Louisiana**

**Annual Financial Report
December 31, 2000 and 1999**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Balance Sheets	2 - 3
Statements of Revenues, Expenses, and Changes in Retained Earnings	4
Statements of Cash Flows	5
Notes to Financial Statements	6 - 11
Report on the Internal Control Structure in Accordance With Government Auditing Standards	12 - 13
Compliance Report Based on an Audit of Financial Statements in Accordance With Government Auditing Standards	14
Schedule of Findings	15



Founded in 1978

BROUSSARD & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS, L.L.C.

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Waterworks District No. 9 of Ward 4
of Calcasieu Parish, Louisiana
Sulphur, Louisiana

We have audited the accompanying balance sheets of Waterworks District 9 of Ward 4 of Calcasieu Parish, Louisiana, component unit of Calcasieu Parish Police Jury, as of December 31, 2000 and 1999, and the related statements of revenues, expenses, and changes in retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the district's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Waterworks District 9 of Ward 4 of Calcasieu Parish, Louisiana as of December 31, 2000 and 1999, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated April 19, 2001 on our consideration of Waterworks District 9 of Ward 4 of Calcasieu Parish, Louisiana's internal control structure and a report dated April 19, 2001 on its compliance with laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Broussard & Company

Lake Charles, Louisiana
April 19, 2001
/dk

SULPHUR OFFICE

704 First Avenue, Sulphur, Louisiana 70663
Phone: (337) 527-0010 Fax: (337) 527-0014

LAKE CHARLES OFFICE

1 Lakeshore Drive, Ste. 120, Lake Charles, Louisiana 70629
Phone: (337) 439-6600 Fax: (337) 439-6647 / (337) 310-6648

WATERWORKS DISTRICT NO. 9 OF WARD 4
Sulphur, Louisiana
Balance Sheets
As of December 31,

	2000	1999
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 197,064	\$ 298,897
Investments	1,372,497	846,890
Receivables - net of allowance for uncollectibles of \$15,235 for 2000 and \$8,890 for 1999:		
Water accounts	84,640	82,916
Unbilled	73,997	46,577
Taxes - ad valorem - maintenance	136,627	101,109
Interest	2,712	606
Inventory	11,788	11,445
Prepaid insurance	7,550	1,734
 Total Current Assets	 1,886,875	 1,390,174
RESTRICTED ASSETS		
Cash and cash equivalents - construction	5,860	5,626
Investments - construction	431,822	1,412,201
Cash and cash equivalents - revenue bonds	52,823	67,523
Certificate of deposit - revenue bonds	432,958	380,000
Cash - sinking fund - general obligations bonds	442,272	387,898
Taxes - ad valorem - sinking fund	152,960	195,191
 Total Restricted Assets	 1,518,695	 2,448,439
PROPERTY, PLANT, AND EQUIPMENT		
Furniture, fixtures, and equipment	40,725	44,170
Vehicles	60,702	60,702
Plant and distribution system	8,949,088	8,127,978
	9,050,515	8,232,850
Less: accumulated depreciation and amortization	(2,736,034)	(2,503,907)
	6,314,481	5,728,943
Construction in progress	604,396	182,770
Land	89,625	89,625
 Net Property, Plant, and Equipment	 7,008,502	 6,001,338
OTHER ASSETS		
Deferred charges - bond issue costs, net	262,136	279,686
 TOTAL ASSETS	 \$ 10,676,208	 \$ 10,119,637

The accompanying notes are an integral part of the financial statements.

WATERWORKS DISTRICT NO. 9 OF WARD 4
Sulphur, Louisiana
Balance Sheets
As of December 31,

	2000	1999
LIABILITIES AND RETAINED EARNINGS		
CURRENT LIABILITIES		
Accounts payable	\$ 44,752	\$ 56,350
Payroll taxes and retirement payable	3,812	5,110
Sales tax payable	2,911	2,507
Wages payable	3,242	2,367
Due to DOTD	26,162	26,162
Total Current Liabilities	80,879	92,496
CURRENT LIABILITIES (Payable from Restricted Assets)		
Interest payable - general obligation bonds	29,312	31,446
Current portion of revenue bonds	125,000	115,000
Current portion of general obligation bonds	85,000	80,000
Total Current Liabilities (Payable From Restricted Assets)	239,312	226,446
LONG-TERM LIABILITIES		
Revenue bonds (net of current portion and deferred loss)	4,336,888	4,491,100
General obligation bonds (net of current portion)	1,760,000	1,845,000
Total Long-Term Liabilities	6,096,888	6,336,100
Total Liabilities	6,417,079	6,655,042
RETAINED EARNINGS		
Reserved per revenue bond indentures	360,781	332,523
Designated for construction	437,682	1,417,827
Designated for general obligation bonds	480,920	471,643
Unreserved	2,979,746	1,242,602
Total Retained Earnings	4,259,129	3,464,595
TOTAL LIABILITIES AND RETAINED EARNINGS	\$ 10,676,208	\$ 10,119,637

The accompanying notes are an integral part of the financial statements.

WATERWORKS DISTRICT NO. 9 OF WARD 4
Sulphur, Louisiana
Statements of Revenue, Expenses, and Changes in Retained Earnings
For The Years Ended December 31,

	2000	1999
OPERATING REVENUES		
Water sales and fees	\$ 1,182,944	\$ 1,110,250
OPERATING EXPENSES		
Wages - plant	184,044	174,051
Payroll tax and employee benefits	39,542	35,858
Amortization expense	17,550	17,489
Comissioner fees	4,920	4,200
Contract labor	315	7,374
Depreciation expense	241,609	216,358
Insurance	22,180	13,573
Accounting and legal expenses	13,400	13,740
Meter reading	28,183	27,170
Miscellaneous	17,838	11,039
Office supplies	16,264	14,738
Plant supplies	30,568	40,773
Repairs and maintenance	63,101	33,389
Telephone	11,595	11,346
Utilities	48,777	41,224
Vehicle expense	6,762	6,119
Bad debt expense	6,345	4,340
Total Operating Expenses	752,993	672,781
INCOME FROM OPERATIONS	429,951	437,469
NON-OPERATING REVENUES (EXPENSES)		
Ad valorem taxes - sinking fund	157,010	180,820
Ad valorem taxes - maintenance	140,244	93,665
Interest income	161,705	102,387
Police Jury Riverboat Funds	180,008	5,000
Miscellaneous	8,411	48,079
Revenue sharing	10,917	6,561
Gain (loss) on disposal of fixed assets	(1,879)	(2,488)
Interest expense	(321,833)	(335,120)
Total Non-Operating Revenues	334,583	98,904
NET INCOME	764,534	536,373
RETAINED EARNINGS - Beginning of Year	3,494,595	2,928,222
Prior period adjustment	-	30,000
RETAINED EARNINGS - Beginning of Year, as restated	3,494,595	2,958,222
RETAINED EARNINGS - End of Year	\$ 4,259,129	\$ 3,494,595

The accompanying notes are an integral part of the financial statements.

WATERWORKS DISTRICT NO. 9 OF WARD 4
Sulphur, Louisiana
Statements of Cash Flows
For The Years Ended December 31,

	2000	1999
Cash Flows From Operating Activities:		
Operating income	\$ 429,951	\$ 434,981
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation	241,609	216,358
Provisions for bad debts	6,345	4,340
Amortization	17,550	17,489
(Increase) decrease in receivables	(35,489)	46,364
(Increase) decrease in prepaid insurance	(5,816)	(90)
Increase (decrease) in accounts payable and other accrued expenses	(7,704)	(28,917)
Total Adjustments	216,495	255,544
Net Cash Provided (Used) by Operating Activities	646,446	690,525
Cash Flows Form Investing Activities:		
Interest income	161,705	102,387
Certificate of deposit	(52,958)	-
Investment in LAMP, net	454,772	(1,767,024)
Net Cash Provided (Used) by Investing Activities	563,519	(1,664,637)
Cash Flows From Capital and Related Financing Activities:		
Capital expenditures for plant and equipment	(1,193,878)	(784,499)
Principal payments on bonds	(195,000)	(185,000)
Ad valorem taxes	297,254	274,485
Intergovernmental - revenue sharing and riverboat funds	190,925	11,562
Interest expense	(360,649)	(372,930)
Other	(10,542)	50,771
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,271,890)	(1,005,611)
Net Increase (Decrease) in Cash	(61,925)	(1,979,723)
Cash and Cash Equivalents - Beginning of Year	759,944	2,739,667
Cash and Cash Equivalents - End of Year	\$ 698,019	\$ 759,944
Cash and Cash Equivalents:		
Cash - unrestricted	\$ 197,064	\$ 298,897
Cash - restricted	500,955	461,047
	\$ 698,019	\$ 759,944
Supplemental Disclosure:		
Cash paid for interest (net of amount capitalized)	\$ 323,967	\$ 337,120

The accompanying notes are an integral part of the financial statements.

**WATERWORKS DISTRICT NO. 9 OF WARD 4
OF CALCASIEU PARISH, LOUISIANA
Sulphur, Louisiana
Notes to Financial Statements
December 31, 2000 and 1999**

Note 1 - Summary of Significant Accounting Policies

The accounting policies of Waterworks District No. 9 of Ward 4 of Calcasieu Parish, Louisiana conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

GASB No. 20 requires that governments' proprietary activities apply all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board ("FASB") Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins. Governments are given the option whether or not to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. The district has elected not to implement FASB Statements and Interpretations issued after November 30, 1989. The following is a summary of the more significant policies:

Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent on the Commissioners. Control by or dependence on the District was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Based on the foregoing criteria, the Waterworks District No. 9 has no other fiscal or significant managerial responsibility over any other governmental unit that is not included in the financial statements of the Waterworks District No. 9 of Ward 4 of Calcasieu Parish, Louisiana. The district is a component unit of the Calcasieu Parish Police Jury.

Fund Accounting

The accounts of the district are organized on the basis of a proprietary fund, which is considered a separate accounting entity or enterprise fund. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Basis of Accounting

The district uses the accrual basis of accounting. The revenues are recognized when they are earned, and expenses are recognized when incurred.

**WATERWORKS DISTRICT NO. 9 OF WARD 4
OF CALCASIEU PARISH, LOUISIANA
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2000 and 1999**

Note 1 - Summary of Significant Accounting Policies (Continued):

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property, Plant, and Equipment and Long-Term Liabilities

The proprietary fund is accounted for on a cost of services or capital maintenance measurement focus, and all assets and liabilities (whether current or non-current) associated with its activity are included in the balance sheet.

Depreciation of all exhaustible fixed assets is charged as an expense against the operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Furniture, fixtures, and equipment	3 - 15 years
Vehicles	5 years
Plant and distribution system	40 years

All fixed assets are stated at historical cost. Depreciation amounted to \$241,641 for the year ended December 31, 2000 and \$216,358 for the year ended December 31, 1999.

Deferred Charges

The various fees incurred in connection with obtaining and issuing the general obligation and revenue bonds have been capitalized and are being amortized over a period of fifteen to twenty-five years using the interest method. Amortization expense amounted to \$17,550 for the year ended December 31, 2000 and \$17,489 for the year ended December 31, 1999.

Cash and Cash Equivalents

The District considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market.

Capitalization of Interest - FAS-34 (Capitalization of Interest Costs) requires that interest expenditures incurred during construction of assets be capitalized. FAS-62 (Capitalization of

Continued

**WATERWORKS DISTRICT NO. 9 OF WARD 4
OF CALCASIEU PARISH, LOUISIANA
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2000 and 1999**

Note 1 - Summary of Significant Accounting Policies (Continued):

Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants) concludes that constructed assets financed with the proceeds of tax-exempt debt (if those funds are externally restricted to finance the acquisitions of the asset or used to service the related debt) should include capitalized interest only to the extent that interest cost exceeds interest earned on related interest-bearing investments acquired with proceeds of the related tax-exempt borrowing. Net interest costs capitalized totaled \$38,816 and \$37,810 during 2000 and 1999, respectively.

Note 2 - Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Parish in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year.

For the year ended December 31, 2000, taxes of 5.68 mills were levied on property with assessed valuations, net of homestead exemption. Total taxes levied were \$332,154. Taxes receivable at December 31, 2000 were \$289,587, all of which were considered collectible. The 5.68 mills were dedicated as follows:

Maintenance fund	2.68 mills
Sinking fund	3.00 mills

Note 3 - Changes in Long-Term Debt

The following is a summary of bond payable transactions of the District for the year ended December 31, 2000:

	General Obligation	Revenue	Total
Outstanding at December 31, 1999	\$1,925,000	\$4,606,100	\$6,531,100
Bonds retired	(80,000)	(115,000)	(195,000)
Deferred loss amortization	-	788	788
Outstanding at December 31, 2000	<u>\$1,845,000</u>	<u>\$4,491,888</u>	<u>\$6,336,888</u>

Long-term debt at December 31, 2000 consists of the following:

General obligation bonds:

\$2,000,000 General Obligation Waterworks Improvement Bonds of Waterworks District No. 9 of Ward 4 of Calcasieu Parish, Louisiana due in annual installments of \$75,000 to \$195,000 through March 1, 2013; interest at 4.1 % to 8.0%	\$1,845,000
---	-------------

**WATERWORKS DISTRICT NO. 9 OF WARD 4
OF CALCASIEU PARISH, LOUISIANA
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2000 and 1999**

Note 3 - Changes in Long-Term Debt (Continued):

Revenue bonds:

\$5,015,000 Waterworks Revenue Refunding Bonds,
Series 1996, due in annual installments of \$95,000 to
\$375,000 through January 1, 2021; interest at 4.3% to 6% \$4,491,888

\$6,336,888

The District issued the above bonds to refund the revenue bonds that were due to Farmer's Home Administration. The refunding was undertaken to reduce total future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$31,566. This amount is being netted against the new debt and amortized over the new debt's life, which is shorter than the life of the refunded debt.

The annual requirements to amortize all debt outstanding as of December 31, 2000, including interest payments of \$3,788,099 are as follows:

Year Ending December 31,	General Obligation	Revenue	Total
2001	169,538	385,476	555,014
2002	172,338	383,654	555,992
2003	170,538	386,294	556,832
2004	185,078	383,456	568,534
2005	189,920	385,129	575,049
Thereafter	<u>1,561,111</u>	<u>5,752,454</u>	<u>7,313,565</u>
Total	<u>\$ 2,448,523</u>	<u>\$ 7,676,463</u>	<u>\$10,124,986</u>

The revenue bonds are to be retired from the income and revenues derived from the operation of the System of the Waterworks District No. 9 of Ward 4 of Calcasieu Parish, Louisiana.

Note 4 - Accumulated Unpaid Vacation and Sick Pay

There was no liability for accumulated unpaid vacation and sick pay at December 31, 2000 and 1999.

**WATERWORKS DISTRICT NO. 9 OF WARD 4
OF CALCASIEU PARISH, LOUISIANA
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2000 and 1999**

Note 5 - Board of Commissioners' Fees

Members of the Board of Commissioners are paid a per diem allowance for attending board meetings. The total expenses for meetings attended during the year are as follows:

Mary Ellender	\$ 900
Larry Mouton	900
Byron Chamblee	1,080
Vito Tramonte	1,080
Jim Mitchell	540
Carson Carson	420
Total	<u>\$ 4,920</u>

Note 6 - Cash, Cash Equivalents, and Investments

At December 31, 2000, the District has cash and certificates of deposit (book balances) totaling \$1,130,976 as follows:

Demand deposits	\$ 688,018
Certificate of deposit	442,958
Total	<u>\$ 1,130,976</u>

A reconciliation of cash and certificates of deposit follows:

Cash on hand	\$ 400
Carrying amount of deposits	1,130,577
	<u>\$ 1,130,977</u>
Cash and cash equivalents	\$ 698,019
Certificates of deposit (non-cash equivalents)	432,958
	<u>\$ 1,130,977</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2000, the District had \$1,160,048 in deposits (collected bank balances). These deposits are secured from risk by \$252,958 of federal deposit insurance and \$1,477,017 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

**WATERWORKS DISTRICT NO. 9 OF WARD 4
OF CALCASIEU PARISH, LOUISIANA
Sulphur, Louisiana
Notes to Financial Statements (Continued)
December 31, 2000 and 1999**

Note 6 - Cash, Cash Equivalents, and Investments (Continued):

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent bank has failed to pay deposited funds upon demand.

Under state law, the municipality may invest in United States bonds, treasury notes, or certificates. These are classified as investments. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. The carrying amount of the District's investment in LAMP was \$1,804,319 as of December 31, 2000 and \$2,259,091 as of December 31, 1999.

Note 7 - Other Information

The District had 2,809 active metered customers at December 31, 2000.

Note 8 - Construction in Progress

The District has one significant construction project in progress at December 31, 2000. The following is a schedule of this project.

	<u>Estimated Total Costs</u>	<u>Costs Incurred To Date</u>	<u>Estimated Completion Date</u>
Water Line Improvement	\$ 625,487	\$ 561,519	April, 2001

Note 9 - Deferred Compensation Plan

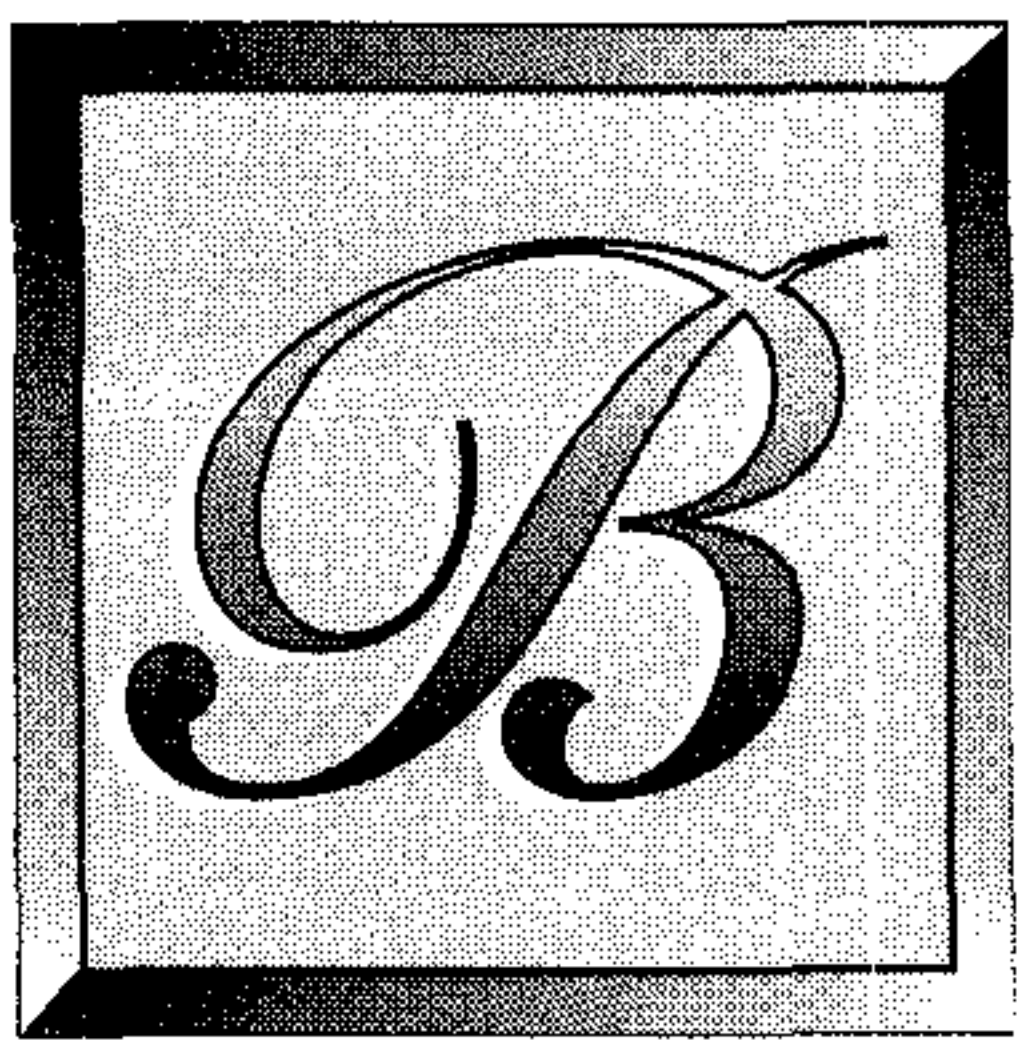
The District provided a deferred compensation plan to all of its employees created in accordance with Internal Revenue Code Section 457. The District must contribute an amount equal to 5% of the employee's compensation. Pension expense for 2000 was \$9,947.

Note 10- Prior Year Balances

Certain prior year amounts have been reclassified to conform with current year presentation.

Note 11- Prior Period Adjustment

An error in the bond amortization schedule of the 1996 Revenue Bonds resulted in an understatement of previously reported income and an overstatement of liabilities. The correction was made in 2000 reflecting an increase to retained earnings of \$30,000 and a decrease to liabilities of \$30,000.



Founded in 1978

BROUSSARD & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS, L.L.C.

REPORT ON THE INTERNAL CONTROL STRUCTURE IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Waterworks District No. 9 of Ward 4
of Calcasieu Parish, Louisiana
Sulphur, Louisiana

We have audited the financial statements of Waterworks District No. 9 of Ward 4 of Calcasieu Parish, Louisiana, as of and for the year ended December 31, 2000, and have issued our report thereon dated April 19, 2001.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of Waterworks District No. 9 of Ward 4 of Calcasieu Parish, Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of Waterworks District No. 9 of Ward 4 of Calcasieu Parish, Louisiana, for the year ended December 31, 2000, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

SULPHUR OFFICE

704 First Avenue, Sulphur, Louisiana 70663
Phone: (337) 527-0010 Fax: (337) 527-0014

LAKE CHARLES OFFICE

1 Lakeshore Drive, Ste. 120, Lake Charles, Louisiana 70629
Phone: (337) 439-6600 Fax: (337) 439-6647 / (337) 310-6648

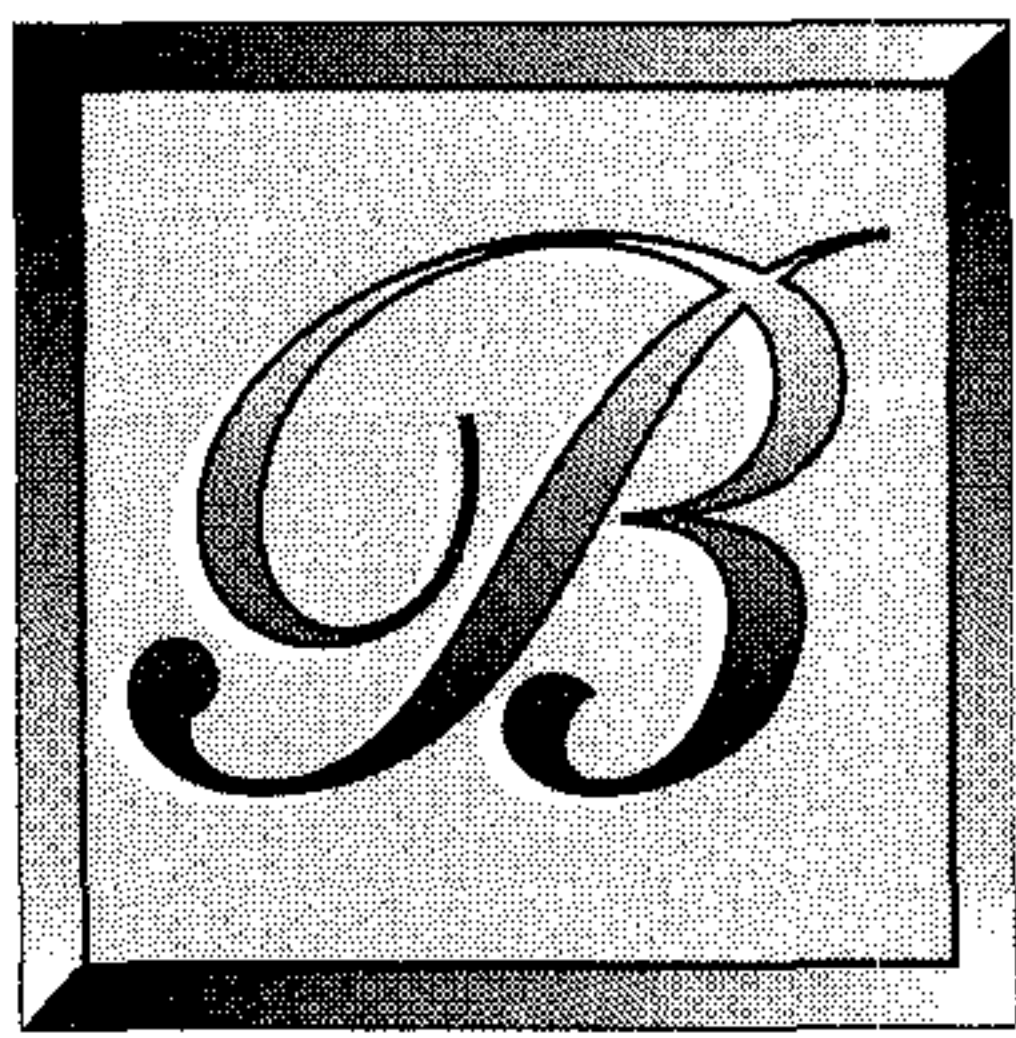
Board of Commissioners
Waterworks District No. 9 of Ward 4
of Calcasieu Parish, Louisiana

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the primary government financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended solely for the information of management and Waterworks District No. 9 of Ward 4 of Calcasieu Parish, Louisiana. However, this report is a matter of public record and its distribution is not limited.

Broussard & Company

Lake Charles, Louisiana
April 19, 2001
/dk



Founded in 1978

BROUSSARD & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS, L.L.C.

COMPLIANCE REPORT BASED ON AN AUDIT OF FINANCIAL STATEMENTS IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Waterworks District No. 9 of Ward 4
of Calcasieu Parish, Louisiana
Sulphur, Louisiana

We have audited the financial statements of Waterworks District No. 9 of Ward 4 of Calcasieu Parish, Louisiana, as of and for the year ended December 31, 2000, and have issued our report thereon dated April 19, 2001.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Waterworks District No. 9 of Ward 4 of Calcasieu Parish, Louisiana is the responsibility of management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Waterworks District No. 9 of Ward 4 of Calcasieu Parish, Louisiana compliance with certain provisions of laws, regulations, and contracts. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards.

This report is intended for the information of management, and Waterworks District No. 9 of Ward 4 of Calcasieu Parish, Louisiana. However, this report is a matter of public record and its distribution is not limited.

Broussard & Company

Lake Charles, Louisiana
April 19, 2001
/dk

SULPHUR OFFICE

704 First Avenue, Sulphur, Louisiana 70663
Phone: (337) 527-0010 Fax: (337) 527-0014

LAKE CHARLES OFFICE

1 Lakeshore Drive, Ste. 120, Lake Charles, Louisiana 70629
Phone: (337) 439-6600 Fax: (337) 439-6647 / (337) 310-6648

**WATERWORKS DISTRICT NO. 9 OF WARD 4
OF CALCASIEU PARISH, LOUISIANA
Sulphur, Louisiana
Schedule of Findings
December 31, 2000**

A. Summary of Independent Auditor's Results:

1. Unqualified opinion on general purpose financial statements.
2. Reportable conditions in internal control – Refer to B-1.
3. No instances of noncompliance noted.

B. GAGAS Findings:

1. None.